

**Joint Legislative Audit and Review Commission
of the Virginia General Assembly**



**Status Report:
State Funding Formula for
Educational Technology**

**Staff Briefing
December 16, 2002**

Introduction

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Staff for this study:

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Study Mandate

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- **Senate Joint Resolution 87 (2002) directs JLARC to:**
 - **recommend a state funding formula for educational technology and technology support personnel, and**
 - **assess ways to enhance the use of federal and private sector assistance for educational technology.**

Presentation Outline

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- ☒ **Current Funding for Educational Technology**
- ☐ **Educational Technology Funding Formula Options**
- ☐ **Project Status and Next Steps**

Expenditures for Educational Technology

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Total School Division Expenditures on Technology 2000-2001 School Year (\$ Millions)

	<u>Classroom Instruction</u>	<u>Instructional Support</u>	<u>Administration</u>	<u>All Other</u>	<u>Total</u>
Personnel Costs	\$49.2	\$37.2	\$24.3	\$4.7	\$115.4
Non-Personnel Costs	\$96.8	\$48.3	\$33.3	27.0	\$205.4
Total	\$146.0	\$85.5	\$57.6	\$31.7	\$320.8

State Requirements and Local Pressures May Impact Educational Technology Expenditures

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- School divisions' technology-related expenditures are partly a response to State requirements for educational technology.
For example:
 - *Standards of Quality* require local school boards to implement a program of instruction "...which emphasizes...proficiency in the use of computers and related technology."
 - *Standards for Accrediting Public Schools* require local school administrations to provide "...properly equipped laboratories that meet the needs of instruction in the sciences, technology, fine arts, and career and technical programs."
 - *Standards of Learning* contain specific computer/technology standards for grades 5, 8, and 12.
- School divisions may also be responding to local pressure to improve technology capabilities.

State and Federal Support for Educational Technology

FY 2001- FY 2004 (\$ Millions)

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	2001	2002	2003	2004
State Funds				
Administrative Systems	\$1.1	NA	NA	NA
VPSA Technology Grants	\$56.9	\$58.3	\$58.7	\$58.7
Technology Support Payments	NA	\$5.0	\$5.0	\$5.0
Other	\$2.9	\$2.9	\$2.7	2.7
Standards of Quality	?	?	?	?
Federal Funds				
Technology Literacy Challenge Fund	\$6.8	NA	NA	NA
Federal Technology Grant (Ed Tech) Program*		\$10.2	\$10.2	\$10.2
E-Rate *	\$19.4	\$23.1	\$21.0	\$21.0
Total State and Federal Funding Designated for Technology	\$87.1	\$99.5	\$97.6	\$97.6

*FY 2003 and FY 2004 amounts are estimates.

<i>State Funds Available for Technology</i>				
<i>School Construction Grants</i>	<i>\$0.3</i>	<i>\$2.2</i>	<i>Use of Funds Includes Technology</i>	<i>Use of Funds Includes Technology</i>
<i>Local Share of Lottery</i>	<i>At Least 50% of Funds for Non-recurring Costs</i>	<i>At Least 50% of Funds for Non-recurring Costs</i>	<i>At Least 50% of Funds for Non-recurring Costs</i>	<i>At Least 50% of Funds for Non-recurring Costs</i>

Potential for Enhanced Federal and Private Sector Support for Educational Technology

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■ Can federal and private sector support for educational technology be enhanced?

- It appears that the State is doing what it can to maximize federal support for education technology.
 - New federal Education Technology Grants are provided on a formula basis.
 - According to Department of Education (DOE) officials, several factors prevent Virginia's school divisions from obtaining more E-Rate funds. These factors include:
 - Relative wealth of Virginia's residents, and
 - Decentralized nature of divisions' computer networks
- JLARC staff will be addressing ways to enhance private sector support, but there may be limits on the usefulness of private sector donations.

Presentation Outline

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- ☒ Educational Technology Funding Formula Options
- ☐ Project Status and Next Steps

Educational Technology Funding Formula Options

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- **Funding formula options included in the final report will fall into four categories:**
 - **Prevailing practice among Virginia's school divisions for funding educational technology (base option)**
 - **Funding options designated in the study mandate**
 - **Options to address funding best practices identified within Virginia's school divisions**
 - **Options to address funding best practices identified nationally**
- **Final report will indicate how much options cost compared to what the State is already providing for educational technology.**

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Project Status and Next Steps

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■ Project Work Accomplished To Date

- Constructed spreadsheet for analyzing funding formula options
- Researched educational technology funding best practices nationally
- Assessed federal educational technology funding

■ Next Steps

- Review incentives for private sector support of educational technology
- Estimate State funds provided through the SOQ in support of educational technology
- Survey Virginia's school divisions
- Conduct site visits to subset of Virginia's school divisions
- Develop funding formula options for final report

Project Schedule

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- **Winter 2003 – Survey school divisions**
- **Spring 2003 – Conduct site visits to school divisions**
- **Spring/Summer 2003 – Calculate funding formula options**
- **Summer/Fall 2003 – Provide final report and Commission briefing**